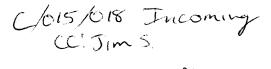


Trust Lands Administration





Jon M. Huntsman, Jr. Governor

> Kevin S. Carter Director

675 East 500 South, Suite 500 Salt Lake City, UT 84102-2818 801-538-5100 801-355-0922 (Fax) www.trustlands.com

State of Utah School & Institutional

April 20, 2009

Scott M. Child Manager, Lands & Regulatory Affairs **Interwest Mining Company** 1407 W. North Temple, Suite 310 Salt Lake City, UT 84116

RE: ML 48258, Mill Fork Coal Tract Exploration Bonding

Dear Mr. Child:

Interwest Mining Company and Energy West Mining Company, by way of notice dated November 8, 2008 propose to conduct exploration drilling in 2009 upon certain lands within SITLA coal lease ML 48258, within the Mill Fork coal tract. The Trust Lands Administration herby requests that prior to commencing said drilling operations in 2009, the operator or lessee post an adequate reclamation bond with either the Division of Oil, Gas & Mining or with the School and Institutional Trust Lands Administration to ensure satisfactory subsurface and surface reclamation of the proposed drill sites.

Previously, on April 16, 2003, Pacificorp as parent company of Interwest Mining and Energy West Mining, and lessee of record under ML 48258, posted Surety Bond #103908996 in the amount of \$50,000 with the School and Institutional Trust Lands Administration to ensure reclamation of exploration drilling then proposed in Sections 12 & 13, T16S, R6E, SLB&M of the leasehold. This surety bond has not been released by the Director and remains in full force and effect.

The present reclamation bonding requirement for 2009 exploration drilling may be accomplished by amending Surety Bond #103908996 with a rider to include coverage of all of the lands that comprise the leasehold, excluding the 40 acre parcel currently subleased to Andalex Resources, Inc. in NW4NW4, Section 8, T16S, R7E, SLB&M. The surety bond so amended may then also service subsequent annual exploration drilling programs upon the leasehold, on a case by case basis.

Alternatively, Operator/Lessee may post a separate \$50,000 bond covering only the proposed 2009 exploration drilling program for ML 48258. Please consider and take which ever action you deem appropriate to meet the 2009 bonding requirement. Please call me if you have any questions on this matter.

Sincerely,

John T. Blake

Trust Land Specialist

Daron Haddock; Tom Lloyd; Sue Wiler, Tom Faddies

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DIV OF OIL, GAS & MINING